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ABSTRACT

The first of a series on school finance and the role of the state/local community, this document examines recent trends and developments in property taxation. The setting for property taxation and the state and local share of tax revenues for financing education are discussed. Two charts illustrate: (1) school district property tax collections from 1966-67 to 1981-1982; and (2) the state and local revenue receipts for public schools between 1972-73 to 1983-84. Court decisions, tax limitations, and inflation are analyzed, and property taxation problems and property tax reform measures are examined. Attention is given to the challenges that school districts face as they look to state sources for funding in the wake of diminished support from property tax sources. Central to this report is the belief that the property tax offers fiscal stability to school support; local evidence, however, supports the finding that the state and local share of school finance must come from balanced and effective use of income, sales, and property taxes to avoid excessive reliance on the latter. This view coincides with the National Education Association's (NEA) position that the property tax burden should be more equitably shared among low-, middle-, and upper-income taxpayers. (JAM)

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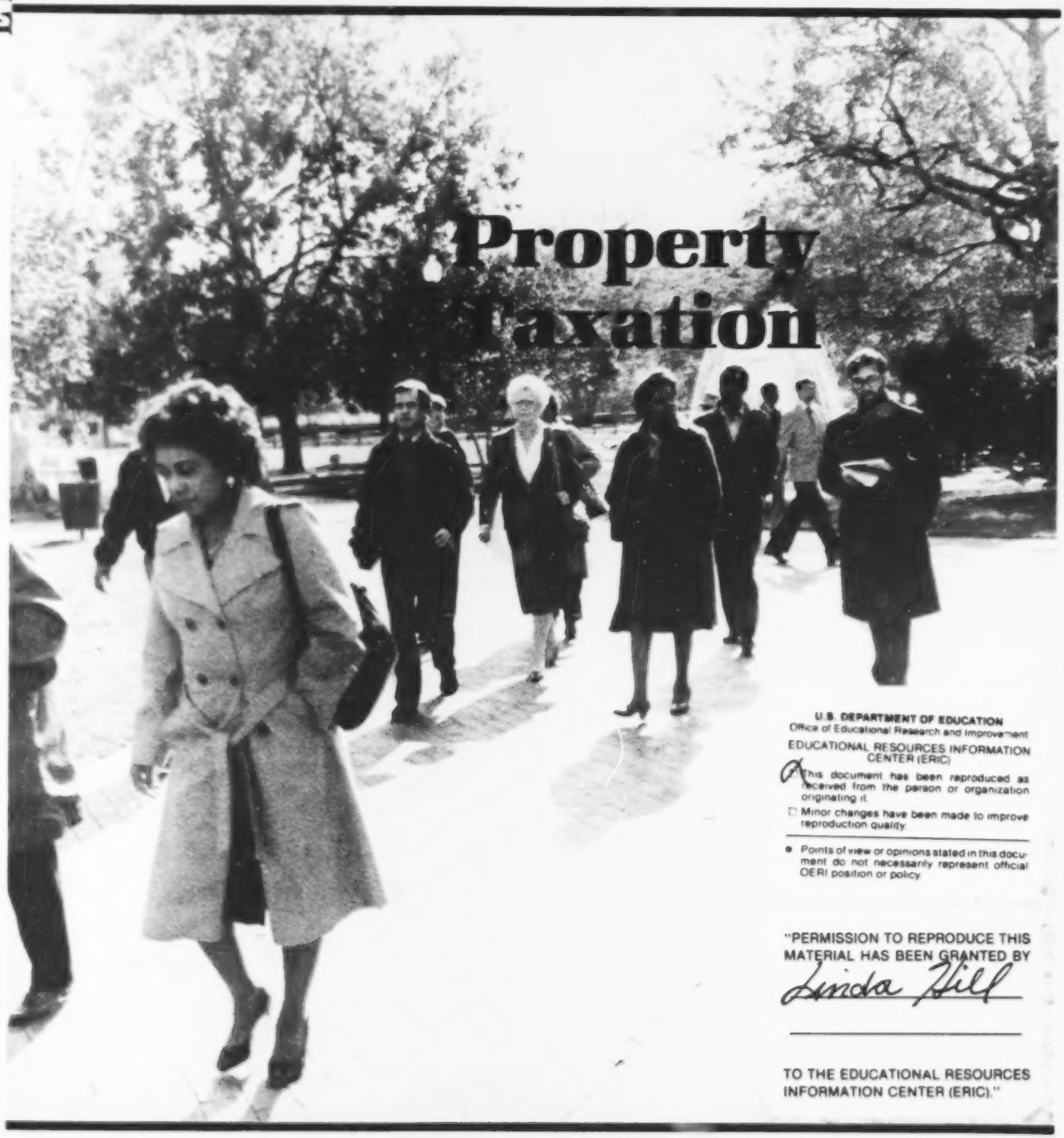

Property Taxation

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Foreword

How much of the financial support of public schools should come from each level of government—local, state, national? The range of possibilities is as diverse as the 50 states in the United States. Yet, within the variety of financial arrangements several abiding principles remain.

When there is no local contribution to local schools, local decisionmaking is limited. Recent experience has demonstrated that state control over local education grows as the state contribution surpasses local tax contributions. State legislatures are enacting tougher graduation requirements, performance-based pay plans, and teacher certification and recertification requirements—frequently bypassing or ignoring the collective bargaining process.

The loss of local control over some terrain in compensation, curriculum, and collective bargaining can be traced in part to the decline in the relative importance of the local property tax for school support. This points up the necessity of making effective use of income, general sales, and property taxes, the major sources of state and local revenue. Neglect of any one of the three sources either distorts the distribution of the school support burden or the distribution of decisionmaking power.

This publication from the NEA Research Division is the first of a series on school finance and the role of the local community in it. The paper examines recent trends and developments in property taxation. Central to the theme of this article is a belief in maintaining the integrity of the property tax in educational finance. When administered properly and viewed in conjunction with state and Federal taxes that also support education, the local property tax can draw support for education from one of the obvious sources of the nation's taxpaying ability. Property ownership is progressively related to income except in extraordinary circumstances for which provision can be made. Moreover, the property tax affords a useful element of fiscal stability to school support.

The conclusions and findings of this report suggest the actions necessary to recapture the property tax as a fair and equitable source of support for America's public schools. The report itself is part of the action plan to implement the recommendations contained in the NEA's Open Letter to America on Schools, Students, and Tomorrow.

The manuscript was prepared by Peter Veillette with the assistance of Will Myers and Doris Coleman. Other members of the Research staff also cooperated in the effort.

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Setting

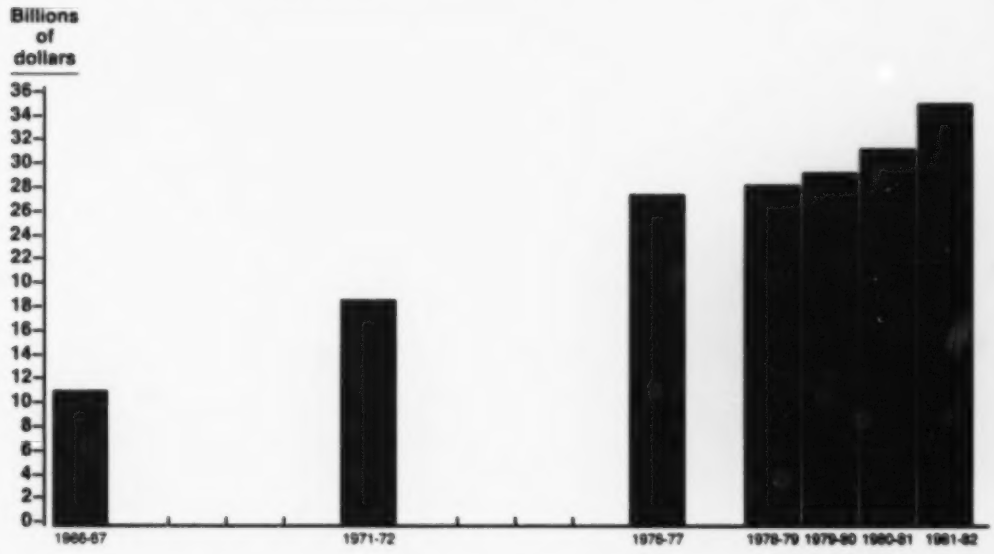
Property taxes have always been an important source of revenue in the United States. As a percent of all governmental tax revenues, property tax collections in 1980 were higher in only one of 23 countries belonging to the Organization for Economic Cooperation and Development than in the United States. The United Kingdom was highest, at 12.09 percent, followed by the United States, at 10.04 percent. Sweden was lowest, deriving 0.93 percent of its taxes from levies on property.

History and tradition came together in the United States to produce a fragmented educational system dependent upon property tax revenues. Historically, state governments have delegated their responsibility for providing public education to 16,000 local school districts. By tradition, localities have been given virtually exclusive domain over property tax sources, while the federal and state governments have utilized income and consumer taxes.

State/Local Shares

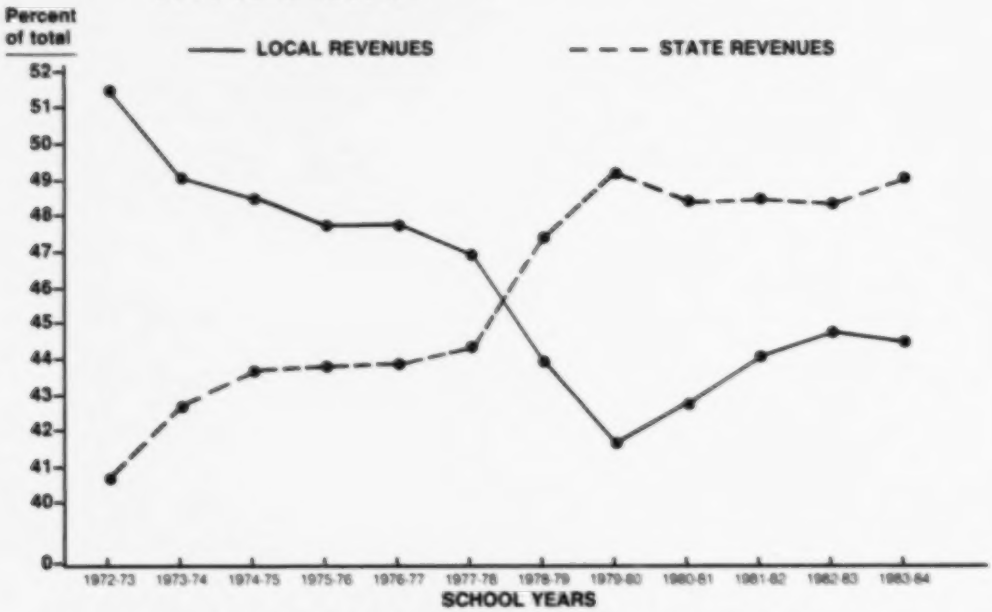
The degree of our schools' fiscal dependency on property taxes is illustrated by the following: In the 1981-82 school year, school districts collected $34.4 billion in property taxes, which represented an increase of 86 percent over property tax collections ten years earlier and accounted for 36 cents of each dollar spent by local schools (see Chart A). Increasingly, however, states have assumed a greater role in financing education. Since 1973 the state share of local school finances has increased by 8.3 percentage points and is currently 49 percent of total revenue receipts. This trend has been mirrored by a corresponding decrease in the local share (see Chart B). The federal share increased gradually from 7.9 percent in 1973 to 9.2 percent in 1980. Between 1980 and 1984 this amount was reduced to a 6.4 percent contribution.

CHART A. School District Property Tax Collections Selected Years 1966-67 to 1981-82



SOURCE: Bureau of the Census, *Finances of Public School Systems* (Various Years)

CHART B. State and Local Revenue Receipts for Public Schools 1972-73 to 1983-84



SOURCE: National Education Association, *Estimates of School Statistics, 1983-84.*

This trend is applauded by many as an indication of states' willingness to live up to their constitutional mandates to provide for public education. Like all change, the effects extend beyond immediate circumstances. On the positive side, new state dollars for education will most certainly decrease financial disparities among school districts regardless of the distribution formula employed. Also, to the extent that state-generated taxes free up local school revenues, options for implementing improved instruction become available. A possible negative outcome of the shifting state/local balance is a loss of local control over school district administration and programs. Usually, government power goes with the finance flow.* An additional negative effect is that in state capitols education must compete for tax dollars with all other public enterprises. As long as education funding rides the crest of popularity at the state level, this may seem desireable; but if and when the popularity wanes, it is reassuring to have the local property tax as a sound financial base.

It is not possible to say with certainty how the various secondary effects of this funding theme ultimately will resolve into a new state/local partnership. But it is possible for NEA affiliates to influence its form through appropriate action at the state and local levels.

*For further development of this point see *Phi Delta Kappan*, "The Vanishing Myth of Local Control," November 1984.

Court Decisions

Several social and economic forces have placed property taxes under a severe strain and underlie the shift in school revenue sources from local to state government. Among these are a host of court cases, such as California's Serrano case, challenging school financing plans whose outcomes are unsatisfactory because of the incongruity between school district boundaries and taxable wealth. Mistakenly, this process had placed the property tax itself in disrepute rather than focusing public attention toward improvement of property tax administration and apportionment. It is an appropriate concern of NEA to support the goal of improving property tax administration as one method of shoring up the local share of public school finance.

With the help of federal legislation, the railroads have begun challenges in several states to *de jure* as well as *de facto* assessment discrimination. These cases have called into question the widespread practice of assessing utilities, including railroads, at a higher ratio to appraised value than is used in appraising residential properties. The actual and threatened lawsuits call into question the uniform application of assessment standards; the equitable distribution of the property tax; and the relative taxing capacity of local governments, including school systems, because of the presence or absence of railroad property.

Tax Limitations

Another trend that has adversely affected property taxes and left a permanent mark on school district finances is the so-called "taxpayer revolt," which has resulted in tax rate or levy limitation laws. Currently, 35 states impose limits on school districts' access to property tax sources (see Table 1).

TABLE 1. State Imposed Restrictions on School District Access to Property Tax Revenues (November 1983)

States	Overall Property Tax Rate Limit	Specific Property Tax Rate Limit	Property Tax Levy Limit
Alabama	X	X	
Alaska	X		
Arizona			
Arkansas		X	X
California	X		
Colorado		X	
Connecticut			
Delaware		X	
District			
Florida		X	
Georgia		X	
Hawaii			
Idaho		X	X
Illinois		X	
Indiana			X
Iowa			X
Kansas			
Kentucky	X	X	
Louisiana			X
Maine			
Maryland			
Massachusetts			X
Michigan	X		X
Minnesota		X	X
Mississippi		X	X
Missouri		X	
Montana		X	
Nebraska		X	
Nevada	X	X	
New Hampshire			
New Jersey			
New Mexico	X	X	X
New York		X	
North Carolina			
North Dakota			X
Ohio	X		X
Oklahoma	X	X	
Oregon			X
Pennsylvania			
Rhode Island			
South Carolina			
South Dakota		X	
Tennessee		X	
Texas		X	
Utah		X	
Vermont			
Virginia			
Washington	X	X	X
West Virginia	X	X	
Wisconsin		X	
Wyoming		X	

SOURCE: Adapted from U.S.Advisory Commission on Intergovernmental Relations, Significant Features of Fiscal Federalism. January 1984. p. 98.

California and Massachusetts are now becoming aware of the long-term effects of tax limitation. A Massachusetts State Department of Education survey revealed a 10-percent reduction in the number of classroom teachers from 1981 to 1982. With the state budget surplus gone, Californians are now faced with the prospect of school district bankruptcies typified by the attempt of the San Jose School District to declare bankruptcy and thereby abrogate a collectively bargained salary increase for teachers. In addition, California has switched, as a result of Proposition 13, from an above-average achievement of uniformity in assessing single-family residences to one of increasing dispartity in assessed value of such homes. Proposition 13 provided for an annual 2 percent valuation increase of properties that are not sold or substantially improved. Where property is sold or substantially improved, the valuation reflects the current market. Because the two percent annual increase is substantially less than the increase in current market value, disparity in assessed valuation and tax liability between similar homes, some of which sell, grows with time. Thus, next door neighbors pay different taxes for the same set of local government services, including schools. In the coming year voters in several more states will probably vote on a variety of tax limitation measures that could directly or indirectly affect school finance. In the past, state education associations have been leaders in the fight to defeat or moderate the impact of such measures. By sharing experiences and tactics, NEA affiliates will be better equipped to meet these challenges.

Inflation

Perhaps more than any other factor, double digit inflation has taken its toll on public support for the property tax. Between 1976-77 and 1981-82 prices rose by 60 percent. Stated in another way, school districts lost over $12 billion in purchasing power of their property tax dollars. Homeowners, meanwhile, saw their property assessments rise in response to inflated real estate values. This increase, in turn, resulted in higher property tax bills. It is interesting to note that personal income rose 59 percent over the same five-year period. Property taxpayers, however, are undoubtedly more interested in the absolute size of their tax bills than in the bizarre economics of inflation.

In the 10-year period from 1971 to 1981 the average effective property tax rate for single family homes in the U.S. declined from 1.98 to 1.26 percent (see Table 2). This means that in 1971 a property tax of about 2 cents was collected for each dollar of value of a home, whereas by 1981 a property tax of 1.25 cents was collected for each dollar of value of a home. As a rule of thumb tax economists agree that a 2.0 percent effective rate is probably the acceptable upper limit on property taxes. In 1982, only 7 states exceeded this upper limit while 14 states had average effective rates of less than 1 percent.

The gradual decline in the effective property tax rate over the past decade has been matched by a change in the public perception of the property tax. A representative national sample of adults has been asked for a number of years, "Which do you think is the worst tax—that is the least fair?" The property tax received the highest percentage of response in 1972. Income and sales taxes were mentioned less than half as frequently at that time. By 1983, the response pattern was significantly different with 35 percent naming the Federal income tax while 26 percent name the local property tax (see Table 3).

In Massachusetts the effective property tax rate had reached 3.28 percent before the passage of Proposition 2½, and in California the effective rate went from 2.21 percent before Proposition 13 to 0.94 percent a year after passage. While there is little that education associations can do to influence the rate of inflation it would probably be prudent to monitor effective property tax rates. This would enable leaders to initiate or respond to discussions on local property tax burdens.

TABLE 2. Average Effective Property Tax Rates, Existing Single Family Homes with FHA Insured Mortgages, by State and Region, Selected Years 1958-1982[1]

States and Region	Percentage of Full Market Value				
	1982	1977	1971	1966	1958
United States	1.26%	1.67%	1.98%	1.70%	1.34%
New England					
Connecticut	n.a.	2.17	2.38	2.01	1.44
Maine	1.52	1.65	2.43	2.17	1.58
Massachusetts	n.a.	3.50	3.13	2.76	2.12
New Hampshire	2.39	n.a.	3.14	2.38	1.81
Rhode Island	n.a.	n.a.	2.12	1.96	1.67
Vermont	n.a.	n.a.	2.53	2.27	1.63
Mideast					
Delaware	0.75	0.88	1.26	1.14	0.71
District of Columbia	1.15	n.a.	1.80	1.37	1.08
Maryland	1.37	1.69	2.24	2.05	1.47
New Jersey	2.55	3.31	3.01	2.57	1.77
New York	2.57	2.89	2.72	2.40	2.09
Pennsylvania	1.63	1.85	2.16	1.88	1.50
Great Lakes					
Illinois	1.59	1.90	2.15	1.96	1.35
Indiana	1.19	1.66	1.96	1.64	0.84
Michigan	2.68	2.63	2.02	1.81	1.45
Ohio	1.15	1.26	1.47	1.44	1.07
Wisconsin	2.01	2.22	3.01	2.31	1.82
Plains					
Iowa	1.64	1.76	2.63	2.12	1.34
Kansas	0.97	1.37	2.17	1.96	1.65
Minnesota	0.77	1.39	2.05	2.14	1.57
Missouri	1.17	1.59	1.79	1.64	1.12
Nebraska	2.23	2.48	3.15	2.67	1.90
North Dakota	1.10	1.26	2.08	1.81	1.54
South Dakota	1.77	1.79	2.71	2.64	2.01
Southeast					
Alabama	0.41	0.74	0.85	0.66	0.56
Arkansas	1.42	1.49	1.14	1.09	0.84
Florida	1.03	1.13	1.41	1.09	0.75
Georgia	1.21	1.27	1.44	1.30	0.84
Kentucky	1.11	1.25	1.27	1.03	0.93
Louisiana	0.15	0.61	0.56	0.43	0.52
Mississippi	0.76	1.10	0.96	0.93	0.66
North Carolina	0.97	1.35	1.58	1.31	0.90
South Carolina	0.92	0.82	0.94	0.60	0.48
Tennessee	1.24	1.40	1.53	1.37	0.97
Virginia	1.44	1.21	1.32	1.13	0.90
West Virginia	n.a.	n.a.	0.69	0.71	0.56

TABLE 2. Average Effective Property Tax Rates, Existing Single Family Homes with FHA Insured Mortgages, by State and Region, Selected Years 1958-1982[1] *(Continued)*

States and Region	Percentage of Full Market Value				
	1982	1977	1971	1966	1958
United States	1.26%	1.67%	1.98%	1.70%	1.34%
Southwest					
Arizona	0.56	1.72	1.65	2.41	2.14
New Mexico	0.92	1.65	1.70	1.30	0.93
Oklahoma	0.74	0.95	1.35	1.11	0.86
Texas	.40	1.84	1.91	1.62	1.36
Rocky Mountain					
Colorado	1.01	1.80	2.45	2.20	1.72
Idaho	1.04	1.46	1.72	1.23	1.14
Montana	1.14	1.31	2.19	1.70	1.32
Utah	0.92	1.03	1.49	1.52	1.05
Wyoming	0.48	0.87	1.38	1.34	1.17
Far West					
California	1.03	2.21	2.48	2.03	1.50
Nevada	0.77	1.71	1.48	1.47	1.06
Oregon	2.06	2.25	2.33	1.98	1.55
Washington	1.01	1.75	1.62	1.14	0.92
Alaska	n.a.	n..	1.61	1.42	1.12
Hawaii	n.a.	n.a.	0.92	0.81	0.62

NOTE: These effective rates are for existing FHA insured mortgages only, which represent small and varying percentages (by state) of total single-family homes. These rates may or may not be representative of the rates applicable to all homes in a particular state. The United States average tax rate for 1982 (1.26) indicates that, on average, the property tax on a home with a market value of $100,000 would be $1,260.

SOURCES: Computed by ACIR staff from data contained in U.S. Department of Housing and Urban Development, Housing-FHA, Management Information Systems Division, Single Family Insured Branch. *Date for States and Selected Areas on Characteristics of FHA Operations Under Section (203(b),* various years.

U.S. Advisory Commission on Intergovernmental Relations.

n.a. — Data not available.

[1]Effective tax rate is the percentage that tax liability is of the market of true value of the house.

TABLE 3. Which Do You Think is the Worst Tax—That is, the Least Fair?

	May 1983	May 1982	Sept. 1981	May 1980	May 1979	May 1978	May 1977	May 1975	April 1974	May 1973	March 1972
Federal Income Tax	35	36	36	36	37	30	28	28	30	30	19
State Income Tax	11	11	9	10	8	11	11	11	10	10	13
State Sales Tax	13	14	14	19	15	18	17	23	20	20	13
Local Property Tax	26	30	33	25	27	32	33	29	28	31	45
Don't Know	15	9	9	10	13	10	11	10	14	11	11

SOURCE: *U.S. Advisory Commission on Intergovernmental Relations. 1983 Changing Attitudes on Governments and Taxes.* Washington, DC 20575.

Weaknesses

The problems with property taxation have been studied, documented, and debated for years by those both in and out of government. After all is said and done, two central issues emerge: assessment administration and equity. Weaknesses in the assessment process result in valuations that are more often than not perceived as unfair by taxpayers. The twin practices of fractional assessment and partial exemptions lie at the root of this feeling. Fractional assessment (assessing properties at less than full market value) renders comparisons between properties difficult, or at least inconvenient. Although practices vary widely among the states, the most recently published data suggest that for single-family houses the sales-price ratio is 43.9 percent. In other words, these properties are assessed at nearly 44 percent of their actual value. The range among states is wide. Eighteen states reported ratios of less than 15 percent and 17 states had ratios of 50 percent or more in 1981.

More important than the assessment ratio is a measure called the composite coefficient of intra-area dispersion. This measure provides an indication of the extent to which assessments are uniform within a single state. Among professionals, a coefficient below 20 is considered to reflect good assessment practice. Good assessment practice, in this context, means a systematic effort to assess property uniformly in relation to market value. Higher coefficients signal that assessments are not uniformly related to market value within a single state. The 1982 Census of Governments reported that only 11 states had coefficients below 20 (see Table 4).

TABLE 4. EQUITY IN ASSESSMENTS (Composite Coefficient of Intra-area Dispersion Single Family Houses, 1981)

Coefficient	States
10-14	AK, CT, OR, WI
15-19	FL, HI, ID, MA, NH, NJ, WA
20-24	IL, IA, KY, MD, ME, MI, NE, NV, OH, RI, SD, VA
25-29	AZ, CO, DE, MN, NC, TN
30-34	CA, GA, MT, VT, WV
35-39	AR, KS, LA, MS, NM, NY, OK
40-44	PA, SC, WY
45 and over	AL, IN, MO, ND, TX, UT

NOTE: Among professionals, a coefficient below 20 is considered to reflect good assessment practices.

SOURCE: Bureau of the Census, *Taxable Property Values and Assessment-Sales Price Ratios.* 1982 Census of Governments.

Partial exemptions (a $10,000 per homestead exemption, for example) erode the tax base and distribute benefits disproportionately among taxing jurisdictions. What at first glance seems an equitable reduction for all in reality benefits low assessment districts more than higher assessed ones. The lower the assessment ratio, the greater the tax benefit from partial exemptions. The full extent of this erosion is not known. However, reports from 31 states in 1981 indicated that nearly $120 billion had been removed from the tax base.

Although property taxes are not progressive, that does not necessarily mean they are regressive. A more appropriate description might be "proportionate." In the typical state a flat rate is applied to each property. In a few states property is classified, and each class is taxed at a different rate. Nonetheless, the resulting tax bill then reflects the link between property wealth and income. An exception may occur where persons live in rental properties. Renters feel cheated relative to homeowners and businesses because the income tax deduction available for property tax payments is forfeited to the landlord.

Taxing farm land presents a special problem. Because agriculture uses large tracts of land to produce income, the taxes on such property constitute a significant expense in the conduct of business. Given the fluctuations that occur in farm income, farmers may find themselves unable to pay taxes due on their land. Some states have attempted to alleviate this situation by granting preferential assessments to farm land. This approach is not entirely satisfactory because land speculators as well as farmers can benefit from these preferential assessments. The dilemma posed by a decline in income that fails to coincide with a change in agricultural land values remains unsolved.

Improvements

Advocacy of property tax reform by NEA and its affiliates is essential as a matter of equity as well as for maintaining local support for public school finance. It may well be that reasoned approaches such as those contained in reform recommendations offer the best means to defeat the rigidities of pending tax and assessment limitation laws.

Improvements designed to deal with problems associated with assessment administration and equity have been forthcoming in recent years. Professionally qualified assessors are replacing those who were once locally elected. This step is essential not only to ensure better assessment practices, but also to remove the assessor from political pressures. The advent of computerized recordkeeping has proven to be a boon to the task of assessment. With this technology the assessor is able to keep tabs on all real estate improvements and sales and is able to apply the information to other similar properties thereby providing an annual reassessment. Both steps are necessary to maintain the integrity and productivity of the property tax.

To alleviate one of the major tax equity problems, many states now have "circuit breaker" property tax relief programs in place. Just as electrical circuit breakers prevent a voltage overload, so property tax circuit breakers prevent a tax overload. Circuit breakers may take one of several forms whereby relief is granted in extraordinary circumstances to qualifying taxpayers when property taxes exceed certain income limits. The systems do not take revenues from local governments because the local property tax is still paid. A credit or rebate is granted directly to individual owners by the state based on the owner's state income tax liability. A total of 32 states had circuit breaker legislation in place as of 1983. Twenty-six of these programs also contained provisions that applied to renters, thus alleviating one of the perceived inequities in the property tax system.

Choices for Schools

The dependency of schools on property taxes forms an important link with the local community. While this link may sometimes be viewed as a fiscal shackle, it has significant nonrevenue benefits. Foremost among these is local control of schools. The power of the purse extends beyond revenue raising to budget making and school management decisions. An education organization faces a difficult choice. If financing of local schools becomes increasingly a state function then it is to be expected that the control of schools will become likewise. Yet, the quest for equity and perhaps adequacy in school funding leads frequently to a greater financial role for states.

Currently, states and localities get very little Federal support for schools. What is provided is directed principally to special pupil populations and unique financial circumstances neither of which are related to the contribution schools make to the social and economic health of the nation. Thus, in most states, schools depend on the major state taxes—income and sales—and the local property tax for support. For the most part, the three major state-local revenue sources provide both a semblance of balance in tax utilization and in tax burden distribution among income groups. Ideally, greater Federal funding mainly from the progressive income tax would result in a distribution of the tax burden more in accord with ability to pay. Meanwhile, unless a state government provides the overwhelming proportion of school costs, the property tax is likely to represent substantially more than 25 percent of the state-local tax burden for schools.

A community link to the expenditure of property taxes fosters a tax consciousness among citizens. This is important in that it creates a vested interest in schools that would probably otherwise be lacking. This interest, in turn, expresses itself as citizen participation in the school budget process and increases the accountability of local school boards to the community. Such linkages and awareness are rarely evident beyond the local level. Again, the choice for an education organization is difficult. The direct benefits of an increased financial role for states must be weighed against an intangible loss of democratic processes.

The challenge to state and local officials and to an education organization is to strike a balance between the demands of equity and the needs of a community.

No one seriously doubts the survival of the local property tax. It produces far too much revenue to be replaced. It also provides a means for taxing wealth that would otherwise escape taxation. Eliminating the property tax would only serve to introduce new inequities into our fiscal infrastructure because no tax is flawless—except perhaps the one paid by someone else.

For the immediate future the "excellence in education" movement may determine whether property taxes continue their relative decline in school finance. Only recently, has the price tag on reforms recommended by various national reports on education begun to emerge. The estimates run into tens of billions of dollars. To the extent that the reform movement retains its momentum it would appear that now is the opportune time to reach for the twin goals of reforming property tax administration and equity and increasing financial support for education.

Findings

The NEA's interest in the local property tax is reflected in three statements about the appropriate Federal, state, and local roles in financing schools—Resolutions A-12, B-60, and The Open Letter to America on Schools, Students, and Tomorrow. The statements make NEA policy clear—the state and local share of school finance must come from balanced and effective use of income, sales, and property taxes to avoid excessive reliance on the latter. The NEA's Open Letter to America on Schools, Students, and Tomorrow has this specific statement about the role of the local property tax.

> "Much of the financial support of schools will continue to come from local property taxes. We believe that more communities would support adequate property tax revenue for better schools if residential, business and commercial property taxes were equitable. We believe state governments should institute reforms that would more equitably distribute the property tax burden among low-, middle-, and upper-income taxpayers.
>
> "Reforming local property taxes is a first step toward adequate financial support of our schools..."

In keeping with the NEA's policy positions as expressed in resolutions and the Open Letter, the following findings should lead to action at the state and local level as warranted.

1. The appropriate major source of local revenue to finance schools is the local property tax. States and localities must make an effort to achieve fairness, uniformity, and equity in the administration of this tax.
2. The uniform application of appraisal principles in local property taxation demands the employment of professional assessors.
3. State-level technical assistance to and supervision of local assessors are essential to assure the attainment of uniform assessment standards.
4. Full market value assessment of all property stands out as the one true standard by which to judge effective and equitable property tax administration.
5. Key determinants of uniformity in assessment are: (a) annual reassessment of property using sales price ratio data, (b) on site inspections, and (c) automated record-keeping processes to reflect current market value.
6. A rapid and inexpensive assessment appeal process with full disclosure of assessment records to citizens contributes to fairness in property taxation.
7. Partial exemptions, such as those for homestead or veterans, to otherwise fully taxable properties distort fair property tax administration.
8. State financed "circuit breaker" property tax relief mechanisms for homeowners and renters whose property taxes exceed specified limits in relation to household income contribute to equitable local property taxation.
9. Constitutional and statutory limitations on the local use of the property tax are inflexible. Locally elected officials are best situated to determine local spending needs and the necessary degree of reliance on this local revenue source.

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